

FEBRUARY, 1972



# DIGEST

THE CO-OPERATIVE FEDERATION  
OF AUSTRALIA

## THE CO-OPERATIVE FEDERATION OF AUSTRALIA

- ★ Is a federation for all types of co-operatives throughout Australia.
- ★ Is affiliated with the International Co-operative Alliance.
- ★ Among its objects are:

TO promote the development of co-operative enterprise in all forms in Australia by giving counsel and providing regular opportunities for mutual discussion of co-operative ambitions and problems.

TO advance the claims of co-operative enterprise for adequate, and where necessary protective, legislation and to foster among Government and commercial administrative authorities an intelligent understanding of co-operative aims and principles.

TO foster unity within the co-operative movement in Australia.

TO compile reliable statistics of co-operative activity in Australia regarding membership, business turnover, resources, co-operative distribution, and any other details indicating its strength and progress.

TO maintain liaison with international co-operative organisations and to exchange information of mutual advantage in aiding the extension of co-operation.

### Members:

The Co-operative Federation of Queensland; The Co-operative Federation of New South Wales; The Co-operative Federation of Victoria; The Co-operative Federation of Western Australia; The Murray River Wholesale Co-operative Society, South Australia.

### Associate members:

The Australian Federation of Credit Union Leagues; The Australian Producers Wholesale Co-operative, Victoria; The Co-operative Insurance Company of Australia; The Eudunda Farmers Co-operative Society, South Australia; The Newcastle & District Co-operative Society, New South Wales.

# CO-OP DIGEST

Vol 1, No. 3

February, 1972

Editor

J. Lawrence

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*Co-op Digest is published three times a year by the Co-operative Federation of Victoria, 49 a'Beckett Street, Melbourne, for the Co-operative Federation of Australia. \$1 per year.*

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## CO-OP COMMENT

1972 sees a new development in the affairs of the Co-operative Federation of Australia where its youngest member has adapted its own publication to the needs of national co-operative organisation. This is practical co-operation at work and the Council of the CFA records its appreciation of the Co-operative Federation of Victoria for this gesture.

The end of 1971 saw another significant milestone in the development of practical co-operation in Australia when Federal and State Governments together with co-operative businesses, through their State federations, joined to organise and provide funds to enable the first meetings to be held in Australia of councils and committees of the International Co-operative Alliance in this part of the world.

During 1971, Mr. Russell Holyoak, a senior executive of Murray-Goulburn Co-operative, participated as the Australian representative in a study team organised by the ICA for the promotion of increased international co-operative trade in the region.

In today's economic climate, the need for a true understanding of co-operative

principles and their application to business and social conditions has never been more important.

Aids to achieving a high degree of efficiency to service the needs of members—and to develop strong co-operative business—include the interchange of information and the co-ordination of activities among like co-operatives throughout the country.

The promotion and protection of the all-important word 'co-operative' in our business name with its attendant privileges and responsibilities, and which we are proud to use to advantage, can be effective when all those associated in such activity present a common front.

There is no conflict between specific industry association and the overall general co-operative association provided all concerned are clear on the relevant importance of emphasising matters of common concern rather than those of individual difference.

It is hoped this national publication will act not only as a digest of news and information but also as a forum in which matters of common concern can be presented and discussed. Contributions will be welcomed.



## Mick Lane

HISTORY shows that co-operative movements begin and flourish in times of hardship, the president of the Co-operative Federation of Australia, Mr. M. J. ("Mick") Lane, said in Perth.

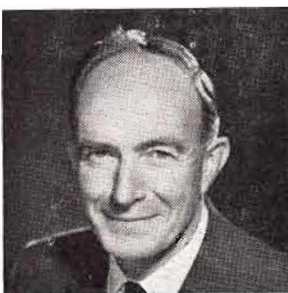
The modern movement began in 1844 when unemployed Lancashire weavers laid down the principles of open membership to all whom the co-operative served. During the depression of the 1930s, grain-growers in Western Australia formed their own co-operative organisation for handling their wheat crops.

Today, in the period of another recession, farmers are taking up other co-operative ideas by combining three or four farms or organising their machinery on a co-operative basis.

"It is a sorry reflection on mankind that people will not help one another until hard pressed," Mr. Lane said.

However, there is some satisfaction in that when eventually pushed into it, they do arise to the occasion.

Mr. Lane said the Co-operative Federation of Australia is an organisation to help farmers and other groups who want to form self-help and co-operative ventures, credit unions and the like.



The Federation supplies services such as management assistance and audit schemes to co-operatives.

Mr. Lane was born in Perth where his father was a solicitor. He went to Aquinas College. His studies at the University of WA were interrupted by the war.

After leaving the armed forces in 1941 on medical grounds, he joined Co-operative Bulk Handling Limited. Mr. Lane was appointed general manager of CBH in 1962.

He is married and his son is a priest in the goldfields city of Kalgoorlie.

His first Christian name is not Michael as many people suppose. It is Mehaul, which is Gaelic for Mick and it is as Mick that friends and associates know him.

Australia will be well represented at the World Council of Credit Unions' annual meeting in Halifax (Nova Scotia) next month.

The six-man party led by world councillor Graham Benson comprises Ralph Lewis, Paul McMaster and Bede Gilmour (Victoria), Bernie Clarke (West Australia) and Robin Kumaina (Papua-New Guinea).

Ralph Lewis is deputy chairman of the VCCA and manager of ACOA Credit Union; Paul McMaster is chairman of the VCCA Stabilisation Fund and manager of the Herald Employees Credit Union; Bede Gilmour is chairman of the Latrobe Valley Credit Union and director of Morwell Co-op.

Bernie Clarke, a police inspector, is the vice-president of the Australian Federation of Credit Union Leagues, and a director of the WA Police Credit Union.

Robin Kumaina is the Registrar of Savings and Loan Societies of Papua - New Guinea. His travel expenses are being met by the Reserve Bank, and his accommodation by the World Council.

The party will visit the following co-operative centres:

- Bergengren Training Centre and the Fijian Credit Union League.
- Hawaiian League of Credit Unions.

# Bound for Nova Scotia

- Los Angeles — Californian League and CUNA Mutual operations.
- Co-op Enterprises of Manaimo in Vancouver, the British Columbia Consumer Co-op and Petrol Co-op, and the British Columbia League of Credit Unions.
- Regina (Canada) for the Co-op Insurance Services; individual credit unions and league organisations.
- Madison—headquarters of the World Council, CUNA Supply, CUNA International and CUNA Mutual Insurance.
- Portland (Maine) for the Maine League Insurance Trust, New York League Insurance Trust, and New York League and Co-op Housing Enterprises.
- Halifax for the World Council and the annual meeting of the National Association of Canadian Credit Unions.



# How they built the West

THERE are records in existence indicating that co-operatives were active in at least two centres in Western Australia in 1860 but the CFWA is not quite so old. It celebrated its 52nd birthday last October.

The base of the Federation in the West was Westralian Farmers Co-operative, originally formed as the trading section of the predecessor to the present Farmers' Union to provide services and supplies to farmers. Westralian Farmers actually started business in 1914.

Small co-operatives were established in many parts of the State, mainly to act as agents for the purchase of wheat and wool, for their handling, and for the marketing of livestock and supplying farm requirements.

In 1919, representatives of about 80 of these co-operatives met and agreed on the need for an association which could assist their development, ensure a better co-operative service and liaise between each other, themselves and Government, and other trading organisations.

The meeting agreed to form the Co-operative Federation of Western Australia.

Some of the developments to benefit producers in the

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## THE CO-OPERATIVE FEDERATION OF WESTERN AUSTRALIA

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West arising from the Federation included the formation in 1922 of a co-operative wheat pool which developed into The Grain Pool of Western Australia, responsible for marketing of coarse grains produced in the State.

Another development in the 1920s was the establishing of a superphosphate processing plant. After discussions between the Co-operative Federation, the Primary Producers' Association and representatives of Westralian Farmers, negotiations with Cumming Smith and Mount Lyell led to the forming of Westralian Farmers' Superphosphates Ltd.

To celebrate the first quarter century of operation of the Co-operative Federation, and also to mark the 100th anniversary of world consumer co-operative activity, a consumer co-operative store was fostered in the Perth metropolitan area at Bassendean—the Bassendean-Rochdale Co-operative Company Limited.

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After World War 2, attention was given to providing the fishermen off the West Australian Coast with protection from exploitation. Two fishing co-operatives were formed, one at Fremantle and one at Geraldton.

Both are successful business enterprises, providing good services and return for their members, and valuable contributions to the Australian export trade.

In 1960, the first credit union in Western Australia was formed and registered by the Co-operative Federation as a prototype. This credit union continues as a further Federation service to its many members.

In 1963 the Ord River Co-operative was established to assist settlers' development of the remote area of the Kimberleys, in the north of the State, in production, cleaning and marketing of cotton.

Last year, as a result of meetings organised by the Co-operative Federation rationalisation of the co-operative dairying industry was achieved. The Federation is actively associated with the formation of a co-operative fruit cannery in the south-west.

So today the membership of the Federation includes Westralian Farmers with its diversified operations, grain handling, grain marketing,



fruit and vegetable producers' co-operatives, cotton production and marketing, fisher-production and marketing, poultry growers, dairying, wholesale and retail store-keeping operations, consumer credit, to mention but some of our members.

Business done by members of the Federation in the year ended December 31, 1970, amounted to \$167.2 million, and members of co-operatives associated with the Federation received back \$4.5 mil-



SAMPLES of WA vrayfish packed for export as rock lobsters to the American and French markets under the trade name registered by Fremantle Fishermen's Co-operative.



1920s, was in operation long before any other commercial organisation even considered such type of all-important training.

Centralised services of audit, of management and accounting have been introduced, wholesale purchasing and distribution of foodstuffs including groceries, fruit and vegetables have been provided for members.

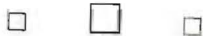
The Co-operative Federation is governed by an executive council comprising 14 members. Of these, seven are elected from seven district councils throughout the State. A further seven are nominated by the various major industries represented within the Federation, including marketing, grain handling, grain marketing, dairying, fruit, honey and fishing.

The Co-operative Federation of Western Australia is associated in membership of the Co-operative Federation of Australia and through this national body with the International Co-operative Alliance, one of the oldest non-governmental international organisations in existence today.

lion by way of interest on capital and rebate on trading.

More and better services to members have been developed from conferences, meetings and discussions, reports and complaints.

In many ways the Federation has been the leader, the pace-setter in enlightened and progressive action. Its policy of education of staff, management, directors, which has been in practice since the



# Three steps to success

CURRENT sociological developments cause some people to ask whether co-operatives can meet the challenge of competition with modern big business.

The answer will be yes if the co-operative movement applies itself to developing these three things:

**FIRST** — co-operatives consist of people rather than customers or statistics, and provided that co-operatives can keep close to their members and are able to interpret their needs, they should have a tremendous advantage over those businesses which have not this ready feed-back of customer information.

**SECOND** — there will be a substantial increase in management skills in other businesses and co-operatives can no longer rely on the instinct of directors and managers to make the right decisions; but with management actively studying new techniques and mutually assisting one another a team of expert managers capable of competing with any business could be built up.

**THIRD** — co-operatives will need to co-operate between themselves to a far greater extent than they have in the past. In some instances this may go as far as amalgamation of various co-operatives of the same type, building up bigger units which can be operated more efficiently.

But beyond this it could mean that all will build up by one type of co-operative and be used to assist the business of another. For example, the person who has obtained a house through a co-operative housing society may well be encouraged to deposit his savings with a credit society.

A member of the rural producers co-operatives should be easy to convince that his trading business should be placed with a consumer co-operative.

Co-operative insurance companies should find a ready source of customers among members of other co-operatives.







Students at the 1971 Credit Union School at Warburton, Victoria . . . an example of education to ensure success in co-operatives.



CO-OPERATIVES proudly claim democracy as one of their strong points.

Does your co-operative uphold this principle in name only? What about in practice?

At local society level, democracy issues a two-way challenge. The Board has to develop it among members and has also to fulfil it in regard to any secondary co-operative (e.g., leagus or association or federation) to which the local society belongs.

Let's start by prompting individual societies to fulfil their responsibility to secondary co-operatives. Do you prepare for general or annual meetings? Do you see your society is capably represented?



## Victoria's congress

THE first congress of the Co-operative Federation of Victoria for 1972 is scheduled for next month and is open to any member of a constituent society of any of the associations which are members of the federation, and to individual societies which are members direct.

The main theme of the Congress will be co-operation and it is intended that a close look be taken at the opportunities of one type of co-operative assisting another.

Members are asked to see that their representation is at least equal to twice the representation they have on the Council, and that their representatives have some preliminary thoughts on how they can be assisted by other co-operatives during 1972, and how they may be able to assist.

READERS of Co-op Digest are invited to write to the Editor for any of the following reasons:

Supplying an article for publication on some aspect of co-operatives;

Commenting on anything published in Co-op Digest;

Suggesting subjects they would like to have dealt with in the Digest.

The editorial committee will welcome such signs of interest.

The next issue will be published in June, 1972.



*ABOUT \$10 million of trade has been negotiated with Japan following the visit to Australia of Mr Kuwazawa, a senior official of UNICOOP Japan, 18 months ago.*

*The Co-operative Federation of Australia organised Mr Kuwazawa's meetings with member organisations.*

*This venture proved so successful that UNICOOP Japan is opening a liaison office in Sydney's Australia Square. The Secretariat welcomes inquiries to arrange meetings between exporters and UNICOOP*

THE next International Co-operative Alliance Congress will be held in Poland in October.

The main theme for discussion will be "Multi-National Corporations and the International Co-operative Movement: Financial and Managerial Imperatives".

In his 1971 end-of-year message to co-operators throughout the world, ICA Director Mr. S. K. Saxena said the study of finance was being developed in preparation for the congress.

Has your state federation given any thought to having the Australian co-operative movement represented at the 1972 Congress?



CHALLENGES facing rural producers have created an interest in production co-operatives, and the Co-operative Federation in Western Australia is experimenting in a fully integrated co-operative farm where producers have pooled crops, labor, capital and machinery but not land.

A detailed feasibility study is being undertaken on the merits of machinery co-operatives.



## *No amalgamation . . . yet*

RESULTING from a request of store-keeping members of the Federation, a leading firm of management consultants was retained to undertake a study of the feasibility of a State-wide amalgamation of store-keeping co-operatives in Western Australia. The study revealed such a complete amalgamation to be impractical at this time and the outcome has been some development of shared services of management and accounting, but no further move towards fuller integration.

THE Co-operative Federation of Australia presented a submission late last year to the Federal Government concerning long-term credit for the rural industry.

A reply has now been received from the Federal Government indicating that this matter will be considered along with its general policy on the reconstruction of the rural industries during the early part of this year.

The Federation called for a feasibility study into the need for an Australian organisation similar to the co-operative land banks which operate so efficiently within the United States and South Africa.

Many of the measures at present being adopted in our rural reconstruction policy overlook the basic necessity of long term finance availability.

In other countries, the co-operative land banks have been started with Government support, and over a period of years the co-operative movement gradually took over the financial responsibility.

In a number of countries these banks are now totally owned by the farmers themselves, and supply their needs of long-term credit.

The Federation also asked the Federal Government to investigate the British plan for government subsidy in the formation of rural co-operatives.

# The case for rural credit

In Britain it is possible for a co-operative to obtain a subsidy of up to 85 per cent of the cost of a feasibility study into the formation of co-operatives within rural areas, and other subsidies ranging from 25-75 per cent of the cost of formation and early operation.

Co-operatives could well provide in Australia the answer to the problem of the small farmer who has been told to get big or get out.

Within the co-operative structure he can obtain the advantages of size without losing his independence of action.



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## THE FIRST OF TEN YEARS

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1971 was the first year of the Co-operative Development Decade initiated by the International Co-operative Alliance.

The ICA has stressed from the beginning that the success of the Decade will depend primarily on contributions of co-operative movements, of governments and of international organisations.

Examples of these efforts on the part of national movements include the hosting of conferences and seminars, fund-raising drives, training courses for co-operators from developing countries, secondment of staff to ICA secretariat or to regional study teams, and bilateral contributions of financial and technical support. In addition, a large number of member movements have contributed a total of over \$53,000 to the ICA Development Fund.

The Australian co-operative movement at its council meeting in 1971 offered its services to ICA for use throughout the South-West Pacific area. The Australian Federation is relying on the generous assistance of the Co-operative Federation of Queensland in meeting any requests coming from this offer.

ICA looks upon provision of education facilities as one of the biggest needs for co-operatives in the developing countries. Under the Colombo Plan, the Australian Government — aided by the Co-operative Federation of Australia — is conducting a study tour of co-operatives in February and March this year for people from Asian and African countries.





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